



DEPARTMENT OF AGRICULTURE

Rural Utilities Service

Supplemental Final Environmental Impact Statement for the Restart of Healy Power Plant Unit #2

AGENCY: Rural Utilities Service, USDA.

ACTION: Notice of Availability of a Supplemental Final Environmental Impact Statement.

SUMMARY: The U.S. Department of Agriculture, Rural Utilities Service (RUS), has issued a Supplemental Final Environmental Impact Statement (SFEIS) for the restart of Healy Power Plant's Unit #2 in Healy, Alaska. The (SFEIS) supplements a Final Environmental Impact Statement (FEIS), completed by the Department of Energy (DOE) in 1993 to evaluate potential impacts to the human environment from DOE's proposal to partially fund construction of Unit #2 of the Healy Power Plant to demonstrate emissions control technologies. In 1994, the DOE published a Record of Decision (ROD) for their FEIS in the Federal Register, Volume 59, Issue 54 (March 21, 1994). In 1997, Healy Unit #2 was constructed as a major modification to the existing Healy Power Plant's Unit #1, using funding from DOE and the Alaska Industrial Development and Export Authority (AIDEA). Healy Unit #1 is a 25 megawatt (MW) coal-fired boiler that has been owned and operated by Golden Valley Electric Association (GVEA) since 1967. Healy Unit #2 is a 50 MW coal-fired steam generator owned by AIDEA, which underwent test operation for two years as part of DOE's project. Unit #2 has been in warm layup since late 1999. The SFEIS updates information in DOE's FEIS and considers impacts of restarting Unit #2 for commercial operation. The SFEIS is available for a 30-day public review and comment period. Subsequent to the comment period RUS may issue a ROD.

DATE: Written comments on this Notice must be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Deirdre M. Remley, Environmental Protection Specialist, RUS, Water and Environmental Programs, Engineering and Environmental Staff, 1400 Independence Avenue, SW, Stop 1571, Washington, DC 20250-1571, Telephone: (202) 720-9640 or e-mail: deirdre.remley@wdc.usda.gov . The SFEIS is available online at <http://www.rurdev.usda.gov/UWP-eis4.htm> or you may contact Ms. Remley for a hard copy.

SUPPLEMENTARY INFORMATION: RUS makes loans and loan guarantees to finance new infrastructure and upgrades to existing facilities in the areas of electricity, telecommunications, and water and wastewater in rural areas that qualify for federal assistance. During the 1994 USDA reorganization, the former Rural Electrification Administration (REA) utility programs were consolidated under RUS. The RUS Electric Program is authorized to make loans and loan guarantees that finance electric distribution, transmission, and generation facilities, including construction, system improvements, and replacements required to furnish and improve electric service in rural areas. RUS's predecessor, REA, was a cooperating agency on DOE's FEIS, because it had administrative actions related to its lien interests in GVEA holdings.

GVEA is a not-for-profit cooperative formed in 1946 with financing from REA to provide electric service to rural communities in interior Alaska. Because GVEA is an RUS borrower, RUS holds liens on GVEA assets, and GVEA is eligible for RUS financing to construct or improve its distribution, transmission, and generation facilities. AIDEA provides support for the Alaska Energy Authority whose mission is to reduce the cost of energy in Alaska. AIDEA partially funded construction of Unit #2, and currently owns this power generation facility that is built adjacent to and interconnected with GVEA's Unit #1 at the Healy Power Plant.

Unit #2 has been costly for both AIDEA and GVEA to maintain without income from commercial generation to offset the costs of keeping the facility in warm layup. AIDEA wishes to sell Unit #2 to GVEA, and GVEA wishes to purchase the facility and bring it into commercial production to reduce GVEA's reliance on oil-fired generation by providing a lower cost option for meeting power demand within its service territory.

As part of the restart of Unit #2, GVEA proposes to install additional emission controls to both Unit #1 and Unit #2 and to operate Unit #2 for the remainder of the plant's operational life. GVEA plans to request administrative and financial assistance from RUS to facilitate its purchase of Unit #2 and improvements to the Healy Power Plant, which include the installation of additional emission control equipment.

The SFEIS updated the DOE FEIS by documenting changes in the affected environment, regulatory requirements, and environmental consequences related to the commercial operation of Unit #2, which have occurred since the FEIS was published in 1993. RUS's SFEIS incorporates the DOE FEIS by reference. Both the FEIS and the SFEIS are available at <http://www.rurdev.usda.gov/UWP-eis4.htm>.

Dated: April 25, 2013

Nivin Elgohary, Assistant Administrator

Electric Programs

USDA, Rural Utilities Service

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